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APPLICATION OF

OLD DOMINION ELECTRIC COOPERATIVE

CASE NO. PUE010303

For a certificate of public convenience and necessity for electric generation facilities in Louisa County

HEARING EXAMINER'S RULING

February 6, 2002

On May 17, 2001, as supplemented on June 19, 2001, Old Dominion Electric Cooperative ("ODEC") applied for a certificate of public convenience and necessity authorizing construction and operation of electric generation facilities in Louisa County. ODEC proposes to locate generation facilities on a site near the town of Gordonsville in Louisa County. A portion of the proposed site is also within Albemarle County.

ODEC plans to build a combustion turbine facility that, according to ODEC, will produce a summer rating of approximately 463 MW when fired by natural gas at 94°F, and 604 MW when fired by oil at 0°F. The facility is to be owned by Louisa Generation, LLC, a not-for-profit cooperative that has one member, ODEC.

A hearing on the application was held on November 14, 2001. Appearances were entered and evidence was proffered by ODEC, Staff, and Columbia Gas of Virginia ("Columbia Gas"), a participant in this case.

Two public witnesses also offered testimony. Daniel Holmes, who had also filed written comments on September 20, 2001, testified at the public hearing on behalf of the Piedmont Environmental Council ("PEC"). He raised five specific concerns with the proposed facility. He first asserted that ODEC should perform a more comprehensive cumulative air emissions impact study. ODEC offered testimony that a cumulative impact analysis had been performed with four other new generation sources. Those sources were not identified, and Mr. Holmes countered that the analysis should consider twelve existing or proposed plants in the surrounding area.

¹Transcript 21-29.

²<u>ld.</u> at 22-23.

³Exhibit DNS-4, at 2.

⁴Transcript at 27.

The PEC next contends that the plant could use a dry cooling technology that would reduce water usage from the plant by 90 to 95%. Mr. Holmes testified that several other proposed projects were proposing such a technology to conserve water usage.⁵

The third issue raised by the PEC was its concern with the traffic generated by ODEC's use of fuel oil. The fourth concern was with the adequacy of the emergency response plan related to groundwater contamination and evacuation during an emergency.

The fifth and final concern raised by the PEC was with the adverse impact on the historic and scenic resources in the area, particularly on Montpelier and the Landmark National Forest.⁸

Counsel for ODEC, Staff, and Columbia Gas declined an opportunity to cross-examine the witness.⁹

Mr. John H. Snyder also offered public testimony, and added his concern over the air admissions, tanker traffic, and impact on the historic assets in the area.¹⁰

The Commission recently remanded a case in which a developer proposed to construct and operate an electric generation facility in Fluvanna County. ¹¹ The Commission concluded that pursuant to its authority granted under applicable statutes, Va. Code § 265.2, 56-580 D and 56-46.1, certain environmental issues raised in that case had not been adequately addressed and remanded the case to the Hearing Examiner to receive additional evidence. Some of the issues to be addressed in that remand are similar to several of the issues raised by the public witnesses in this case, including concern with the cumulative effect on air quality from existing and proposed facilities, water usage, fuel oil tanker traffic, and the adequacy of the emergency response plans. I therefore find that the record in this case should be reopened to receive additional evidence on the issues identified above.

I recognize that the General Assembly also has a bill¹² before it that could affect the scope of the Commission's consideration in environmental matters. However, I find that this case should be moved forward now rather than held back to determine the impact of pending legislation. If such legislation passes it may no longer be necessary to reopen this record, and the hearing scheduled below may be cancelled. Accordingly,

⁸<u>ld.</u> at 25.

⁵<u>ld.</u> at 23-24, 28.

⁶<u>ld.</u> at 24.

⁷<u>ld.</u>

Transcript at 29.

¹⁰<u>ld.</u> at 29-30.

¹¹Application of Tenaska Virginia Partners, L.P. for approval of a certificate of public convenience and necessity pursuant to Virginia Code § 56-265.2, an exemption from Chapter 10 of Title 56, and interim approval to make financial commitments and undertake preliminary construction work, Case No. PUE010039, Order (January 16, 2002) ("Tenaska").

¹²2002 General Assembly, Senate Bill 554.

IT IS DIRECTED THAT:

- 1) On or before March 13, 2002, ODEC shall file additional supplemental testimony addressing the specific issues identified above;
- 2) On or before March 20, 2002, Staff and Columbia Gas may file additional supplemental testimony on those same issues;
 - 3) On or before March 27, 2002, ODEC may file rebuttal testimony; and
- 4) A hearing to receive limited evidence on the issues identified herein will be held on April 2, 2002, beginning at 10:00 a.m. in the Commission's Courtroom, Second Floor, Tyler Building, 1300 East Main Street, Richmond, Virginia.

Deborah V. Ellenberg
Chief Hearing Examiner